



April 27, 2016

2015 Significant Agenda Items

- Funded new Hedged Equity and Private Equity managers
- Conducted an Asset Allocation review and changed the asset class targets in December:
 - Reduced Fixed Income from 22% to 18%
 - Increased Private Equity from 6% to 10%

2015 Summary of Cash Flows

Beginning Market Value	\$1,790,647,107
Net Additions/Withdrawals	(\$120,386,983)
Investment Earnings	\$45,222,204
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Ending Market Value	\$1,715,482,327

2015 Return, net of all fees: 2.4%

Pension Fund Historical Net Returns

2015	2014	2013	2012	2011	2010	2009	2008
2.4%	5.4%	15.4%	11.2%	0.3%	12.2%	18.4%	-22.5%

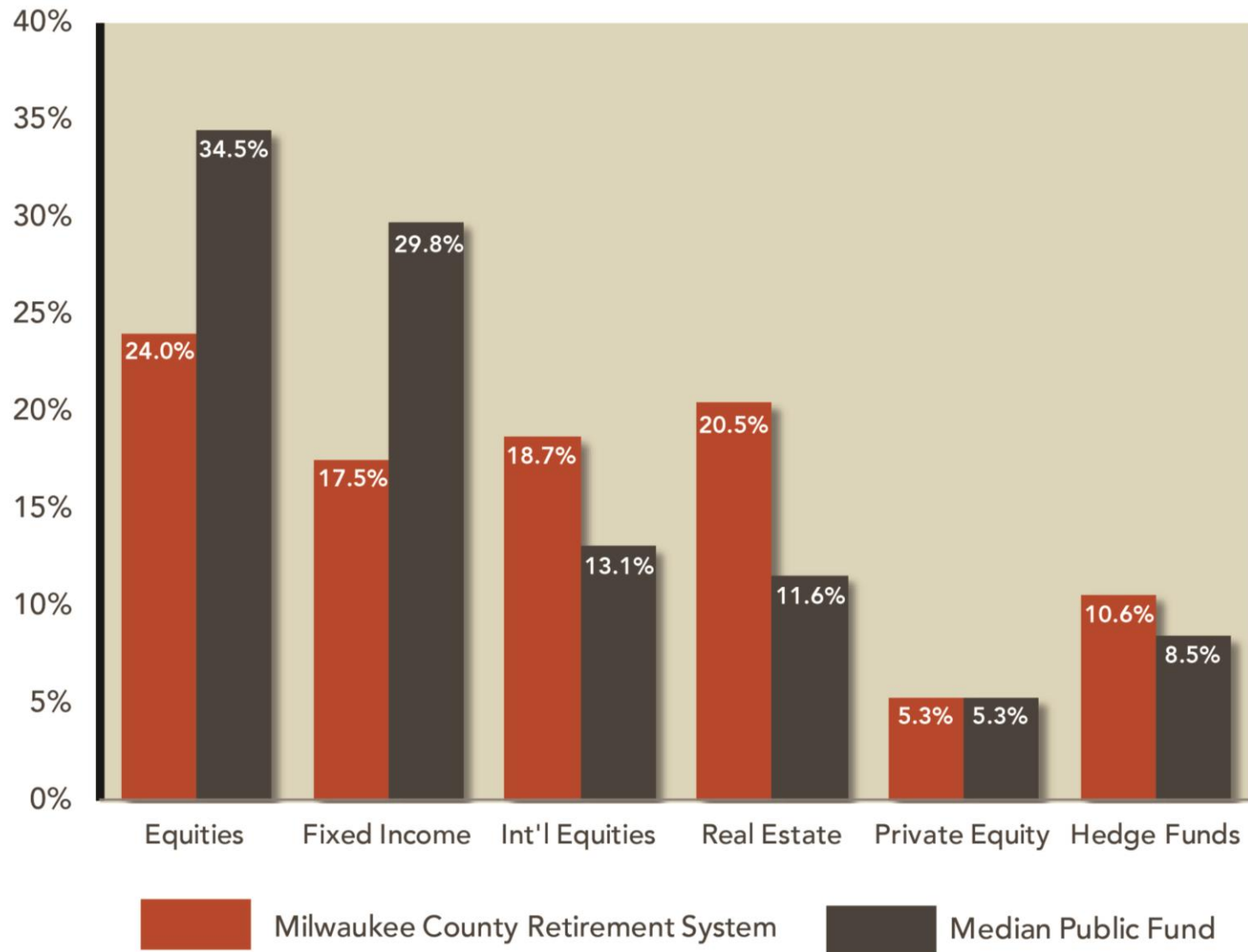
- The five year annualized return ending 12/31/14 is 6.8%
- The ten year annualized return is 5.6%
- ERS peer rankings are 2nd percentile for 2015, 36th percentile for 5 year return, and 35th percentile for 10 year return

¹According to the InvestorForce Public Defined Benefit Net + Universe

Market Values as of 12-31-15

Asset Class	Market Values	Allocation	Target
Fixed Income	\$299,981,387	17.5%	16.0%
U.S. Equity	\$411,669,608	24.0%	25.0%
International Equity	\$320,852,299	18.7%	20.0%
Long/Short Equity	\$182,085,143	10.6%	10.0%
Total Real Estate	\$198,594,059	11.6%	8.5%
Total Infrastructure	\$153,061,030	8.9%	8.5%
Total Private Equity	\$91,486,169	5.3%	10.0%
Total Cash Equivalents	\$57,752,633	3.4%	0.0%
TOTAL PORTFOLIO	<u>\$1,715,482,327</u>	<u>100.0%</u>	<u>100.0%</u>

Asset Mix vs. to Median Peer Group



Components of 2015 Return

<u>Asset Class (% of assets)</u>	<u>2015 Return</u>
Real Estate Portfolio	14.2%
Private Equity Portfolio	5.5%
Infrastructure Portfolio	5.3%
Long/Short Equity Portfolio	2.2%
Fixed Income Portfolio	1.1%
U.S. Equity Portfolio	-0.7%
International Equity Portfolio	-2.0%
Total Pension Fund Return	2.4%

Milwaukee County Investment Managers

As of 12-31-15

U.S. Equity

Mellon Capital
Boston Partners
Artisan Partners
Geneva Capital
Silvercrest Management
Fiduciary Management

International Equity

GMO
Vontobel
Northern Trust
OFI

Private Equity

Adams Street Partners
Sigular Guff
Mesirow Financial*

Fixed Income

Mellon Capital
J.P. Morgan Chase

Real Estate

Morgan Stanley
American Realty
UBS


Infrastructure

Industry Funds Mngmt.
J.P. Morgan Chase

Long Short Equity

ABS Investment Mngmt.
Parametric*

* New managers in 2015



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